Report on Homestead air base use pivots on 3-rail program

By INA PAIVA CORDLE

By now a 138-page report plotting the future use of Homestead Air Force Base has been signed, sealed and delivered to the US Department of Defense's Office of Economic Adjustment in Washington.

Written by a team of consultants from Arthur Andersen & Co. over the past six weeks under the direction of the Beacon Council — and with input from Post Buckley Schuh & Jernigan Inc., Bermello Ajamil & Partners and scores of community groups — the report was to be finalized, bound and express mailed to Washington on Wednesday for receipt Thursday morning.

The re-use plan was formally approved Monday at a meeting of the Homestead Air Force Base Regional Economic Impact and Redevelopment Committee, chaired by Commissioner Larry Hawkins, Homestead City Manager Alex Muxo and attorney George Knox.

'What we're doing is applying for another grant'

Larry Hawkins

Central to the plan is the remaking of Homestead Air Force Base into a global trading center, complete with a regional airport named HITRAC — Homestead International Technical Research & Aviation Center — and the "Perishables Exchange of the Americas" and world teleconferencing center.

"The thrust of the plan is to develop infrastructure and develop an economic platform that will allow for recovery of South Dade into a thriving, booming international hub," Mr. Hawkins said.

A major component of that picture is a three-rail program into South Dade: Metrorail, high speed rail and cargo rail, supplemented by a fiber-optic network.

Funded by a $226,000 grant from the Department of Defense's Office of Economic Adjustment to Dade County — passed on to the Beacon Council, which in turn commissioned Arthur Andersen — the study will now be used as a grant proposal to secure another grant of $250,000-$500,000 to fund an implementation design.

"What we're doing is applying for another grant," Mr. Hawkins said at the committee meeting. "If the Department of Defense Office of Economic Adjustment OKs it — and we have every indication they will — the grant will go to the county commission, which will pass it through to the Beacon Council."

That federally funded grant could be approved within two months, Mr. Hawkins said. The committee and the Beacon Council then expect to commission the same team of consultants "with some additions" to set up the implementation plan, said Alan Rubin, vice president of special projects for the Beacon Council.

Vital to the implementation plan is the quest for the real money — hundreds of millions of dollars — in public and private funding to make the plan a reality.

About $148 million remains available to Homestead Air Force Base in funds appropriated after the hurricane, said Mike Richardson, consultant to We Will Rebuild. About $67 million must be obligated during the fiscal year ending Sept. 30 or the authority to use it vanishes, he said.

"Dade County Aviation Department and the air force have been looking at available options and I'm told they have plans to be able to obligate it by the end of the fiscal year with whoever is going to do the work," Mr. Richardson said.

Meanwhile, the Beacon Council is talking to four or five companies, including large money center banks, about relocating credit card or data processing centers with training programs in South Dade, Mr. Rubin said, and should have commitments soon.

Miami gives Virginia Key restaurant proposers final 90 days

By LAURA IRWIN

Nearly two years after voters approved the concept of a restaurant on Virginia Key, the City of Miami is still struggling with the proposed developers to get a final deal.

The Miami City Commission decided Tuesday to give financiers for an expanded Bayside Seafood Restaurant one more chance to prove they can come up with the money to build and operate a new restaurant.

After a long debate about the financial plan for the proposed restaurant/marine facility, the commission voted unanimously to give the principals 90 days to prove that they can come up with $2 million they would need to expand.

The restaurant, which will be known as Bayside Hut & Brewery, is actually a joint venture between the Bayside Seafood Restaurant and Virginia Key Marina Associates.

Miami issued the request for proposals for the project June 21, 1990.

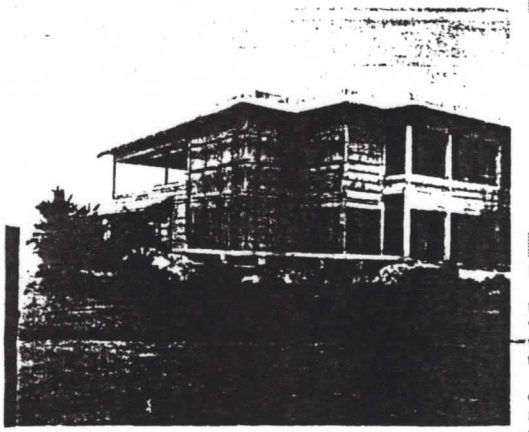
The project included a full-service restaurant, a micro brewery, retail shops and dock facilities for restaurant patrons, transient boaters and charter boats.

The idea was to clean up the area by the stadium and create marine-related commercial and recreational facilities on the 2.88-acre city site.

The city commission approved the selection of the joint venture between Bayside Seafood and Virginia Key Marina April 11, 1991, and it was approved by voters that September.

Since then it has been on hold while the principals sought financial support.

If the principals can't come up with proof of financial support in 90 days, Mayor Xavier Suarez said, the city will start over with a new request for proposals.



Rusty Pelican being rebuilt in 1987 after a major fire.

The Bayside Seafood/Virginia Key Marina proposal is for a 2,000-square-foot restaurant with a cocktail lounge serving approximately 75 guests, an 8,000-square-foot full-service dining room for at least 300; 5,000 square feet of marine-oriented retail sales and service, and at least 3,000 square feet for an outdoor deck.

The principals have proposed financing the restaurant/marine facility as follows: $953,000 investment in capital and tenant improvements by Specialty Restaurants Corp., the proposed management/operator of the restaurant; a $500,000 equipment investment by Specialty Restaurants Corp.; $150,000 equipment investment by Bayside Seafood Restaurant; $147,000 investment in operating cash by Specialty Restaurants Corp.; $200,000 capital investment by Virginia Key Marina Associates Inc.; $100,000 capital investment by Bayside Seafood Restaurant; and $100,000 of pre-development expenses incurred by the partnership.

David C. Tallichet Jr., president of Specialty Restaurants, which owns and operates restaurants statewide, said he would also throw in as collateral the Rusty Pelican restaurant, which the company operates nearby.

Commissioner J.L. Plummer wasn't satisfied.

"You're offering as collateral the Rusty Pelican?" he asked. "For what? What would the city do with that?"

Indeed, all the commissioners, and most specifically the mayor, expressed concerns over the financing.

'You're offering us as collateral the Rusty Pelican? For What? What would the city do with that?'

J.L. Plummer

Mr. Suarez asked what guarantees the city had that the partnership was actually going to build the facility and that the city was going to get its $200,000 in annual rent.

Christina Cuervo, city director of asset management, said the partnership would be required to put down a $200,000 deposit and that a timeline has been specified in the drafted contractual agreement.

Under the agreement, the company has six months to pull the permits on the project, and the project must be complete in 18 months or the partnership will lose its deposit, Ms. Cuervo said.

The agreement also allows the partnership not to pay rent the first year, but the rent is only being deferred, not waived, she said.

The commissioners' biggest concern was over the biggest chunk of the money, which is being pledged by Specialty Restaurants.

That money is pending a settlement agreement with Home Insurance Co., according to Mr. Tallichet. Specialty is expecting the money to be awarded because of a fire that gutted a restaurant it ran in Atlanta.

But a letter from the insurance company supplied as part of documentation of financial viability of the operators stated that no agreement had been reached and that the insurance company was still investigating the cause of the fire.

Mr. Tallichet said the company is also expecting another $435,000 from a settlement agreement pending in Denver, where another of the company's restaurants burned down.

But to get that money from the insurance company, the restaurant would have to spend $1.9 million, he said.

Once the company starts spending money on the new restaurant, it could receive those proceeds, he pointed out.

That did not seem to satisfy commissioners. After Mr. Tallichet's explanation, they voted quickly to table the item.

In a related matter, the commission decided it will start to look at how properties adjacent to the restaurant might be developed.

Jack Luft, city development coordinator, will bring back options for the commission to take on the same date it will consider the financial plan for the proposed restaurant.

City seeks bid for battered Marine Stadium and environs

By LAURA IRWIN

Marine Stadium could soon become a part of Virginia Key's history.

Miami City Manager Cesar Odio on Tuesday suggested the stadium be demolished.

Before Hurricane Andrew hit last August the city was setting aside funds to fix the stadium's deteriorating pipe system. The city managed to set aside $250,000, Mr. Odio said.

But now the stadium also has cracks in the roof as a result of the hurricane, and the city doesn't have the money to fix the stadium, Mr. Odio said.

After consulting with a structural engineer, the city has determined it will cost anywhere from $4 million to $10 million to rebuild the stadium.

'We can't continue to piecemeal, piecemeal, piecemeal things together'

Miller Dawkins

Federal Emergency Management Agency officials have denied money to help fund the repairs, and insurance has offered $500,000, Mr. Odio said.

Mr. Odio told the city commission Tuesday it would be better to use the $750,000 to demolish the stadium.

The stadium is rarely used except for a Fourth of July celebration, an Easter service and a few pop concerts a year.

Since it has had to go up against other venues like the Miami Arena and the Knight Center, which didn't exist when it was built, Marine Stadium hasn't fared well.

"It's a deficit operation," Mr. Odio said. "We have direct competition."

Mr. Odio recommended the city start from scratch and build a new stadium, or perhaps another facility there.

When Jack Luft, city development coordinator, tried to interject what might be done at the site, Commissioner Miller Dawkins said he didn't want to hear his ideas.

Mr. Dawkins suggested a planning seminar be put on to get proposals for how the site can be redesigned. "Let's let designers and architects design what they envision can be done on this property," he said.

He said the city should hire a company to look at the entire area on Virginia Key that can be developed, which includes an area where a restaurant/brewery has been proposed.

"We can't continue to piecemeal, piecemeal, piecemeal things together. We have nothing of substance in Miami. Let's see if someone can come in and develop the whole tract."

The commission directed staff to create a request for proposals for development and design of the tract.

But until a company is found, the commission agreed to keep Marine Stadium as is, and let the company pick up the expense of demolition.